

To the Members of the California State Assembly:

I am returning Assembly Bill 1029 without my signature.

Current law requires property to be reassessed at full market value when there is a change of ownership. When property is owned by a legal entity such as a corporation or partnership, a change of ownership occurs when one person or legal entity acquires more than 50 percent of the ownership interest.

This bill would allow a county assessor to increase property taxes on a piece of property if the assessor has information that a change in ownership has occurred but a change own ownership statement has not been filed. While I support allowing county assessors to collect the appropriate tax on property that has changed owners, it is important to ensure that requests are sent to and received by the appropriate parties in order to establish a change of ownership has actually occurred before assessing additional taxes.

I encourage the proponents of this bill to work with property owners to revise notification procedures to ensure proper notification is delivered to all impacted parties before increasing taxes.

Sincerely,

Arnold Schwarzenegger